

CAPITAL INSURANCE AGENCY OF WISCONSIN

What is Boat Insurance and Why Do You Need It?

Warm sun. Cool breeze. If you have a boat, you get it: There's nothing like being out on the water.

You cherish your boat, and the memories you make there are the reason your investment is worth every penny. Having the right insurance coverage for your boat can help you float on, worry-free.

For answers to common questions about boat insurance, keep reading.

What is Boat Insurance?

A boat insurance policy can provide coverage for you and your boat should something unexpected happen. The policy can include coverage for damage to your boat or its equipment as well as injuries to people and damage to property or other boats.

Boat insurance covers most vessels with engines or sails, but not all boat insurance covers "personal watercraft" like Jet Skis, wave jammers and Wave Runners.

Why Do I Need Boat Insurance?

It's a reasonable question: If your state doesn't require boat insurance, why should you get it?

The short answer: Financial security. If a covered accident happens and you have the proper insurance, you're usually responsible for paying the deductible and insurance can cover the rest. But without insurance, you could get stuck paying out of pocket (or draining your savings) for the full cost of repairs to your boat (or someone else's); legal costs; or even someone else's medical bills.

While your boat might be somewhat covered under your homeowner's policy – more on that below – a separate boat insurance policy gives you more options for specialized protection. That includes increased physical damage limits, coverage under more situations (like collision while waterborne), and medical payments coverage.

In short: Boat insurance is specifically designed to protect your boat almost anywhere you go – over land, out in the water, and into storage. (And isn't having adventures what owning a boat is all about?)

Is Boat Insurance Required?

Some states require a boat to have liability coverage. Liability coverage can help pay for damages to someone else's boat, dock or other property. (Medical payments coverage can also help to cover expenses from injuries, but it usually isn't mandatory.)

Even if it isn't mandatory in your state, many marinas require you to have boat insurance to dock your boat there. Additionally, if you take a loan out on your boat, banks often request you buy boat insurance.

Is My Boat Covered Under My Homeowners Policy?

It might be. Of course, a separate boat insurance policy is designed to offer higher limits and more types of coverage, but your homeowner's policy might have a few things already built in.

For physical damage: Some carriers limit the amount of coverage you can get under a homeowner's policy, depending on the size or horsepower of your boat.

As for liability coverage: It varies by insurance carrier. Some homeowner's policies don't automatically cover liability for boats at all. Other times, you can add a small amount of liability coverage if you have a smaller or low-horsepower vessel.

What Types of Insurance Can I Get for My Boat?

Just like auto insurance, boat insurance can be customized to fit your specific needs and budget. The size, type, age and value of your boat – even where the boat is used – can determine the coverage that's best for your vessel.

In general, most boat policies are designed to cover:

- Bodily injuries sustained by you or someone else, resulting from the boat
- Property damage to your boat – for example, theft or vandalism
- Property damage by your boat – for example, damage to another boat if your boat causes an accident

Boat owners can choose a variety of coverages to protect boats, passengers and even permanently attached boating equipment.

Does Boat Insurance Cover Hurricane Damages?

This can vary, depending on the specifics of your policy and what insurance company you're working with.

Generally speaking, wind damage (including wind from hurricanes) is covered under standard homeowners and boat policies. Water-related damage, like flooding or storm surges, is calculated and insured differently.

No matter what insurance company you're working with, you'll generally have to purchase boat insurance in advance to be covered during a hurricane. It varies by state, but in most places, state regulations prohibit anyone from purchasing insurance coverage (or changing their current coverage) at the last minute once a hurricane watch or warning is in effect.

If a hurricane or other severe conditions are in the forecast, stay out of the water and get your boat to a safe spot to weather the storm.

Am I Covered in the Winter?

While your boat is stored during the off season, you may wonder why you need coverage. However, a lot can happen when a boat is in storage – including fire, theft or other damage – and a boat policy is a smart way to protect your investment year-round.